

Legislation Text

File #: 21-1125, **Version:** 2

PRESENTER:

Jeff Jewell, Economic and Community Development Director

SUBJECT:

Presentation and discussion of a proposed expenditure to Task Us for its expansion project

DEPARTMENT: Economic and Community Development

COUNCIL DISTRICTS IMPACTED: N/A

BACKGROUND INFORMATION:

Taskus, Inc. (the “Company”) is a publicly traded Business Process Outsources (“BPO”) headquartered in New Braunfels. Business Process Outsourcing is a method of subcontracting various business-related operations to third-party vendors, and the Company works in all industries to provide these services to other companies (financial, technology, retail, social media and e-commerce). The Company has 27,500 employees worldwide, is traded on the NASDAQ Exchange and had \$500 million in revenue in 2020. The Company has approximately 450 full-time employees locally and is planning to grow that number by approximately 750 over the next few years as it expands its footprint in New Braunfels. This would bring the total number of employees in New Braunfels to approximately 1,200. The Company operates its facility nearly 24 hours per day with multiple shifts and turnover of seats. To accommodate the expansion, however, they will need to renovate an additional 35,000 sf² at the Heritage Business Center and make some targeted infrastructure upgrades at the facility at an estimated cost of \$3 million.

In 2018, the City Council and City of New Braunfels Industrial Development Corporation (now “NBEDC”) approved an incentive package to TaskUs Inc. (the “Company”) for the creation and retention of 450 jobs. The City Council approved a Chapter 380 agreement that would provide an annual rebate equivalent to a certain percentage of business personal property and ad valorem taxes depending upon the year in which the rebate was provided. The NBEDC approved a grant of up to \$183,000 if the company fulfilled certain performance conditions. The Company fulfilled the performance conditions and received the NBEDC grant in 2019. The rebates are being provided in accordance with the previous performance agreements.

The Company’s renovation of the third floor of its current facility to accommodate the new hires will cost approximately \$3 million. One of the critical items needed for the Company to grow in place is the purchase and installation of a back-up generator and Universal Power Supply (UPS) that can provide electricity to the entire facility in the event of an unplanned power outage. The Company considers the installation of this generator to be a critical part and necessary to its continued expansion in New Braunfels.

ISSUE:

The NBEDC is considering the allocation of \$300,000 to the Company as an improvement cost offset for renovation and improvements to the current facility.

FISCAL IMPACT:

Up to \$300,000 as a direct payment to the Company. This provides a 10-year payback according to the summary fiscal impact analysis.

RECOMMENDATION:

Staff recommends direction from the board on future consideration of the project expenditure.